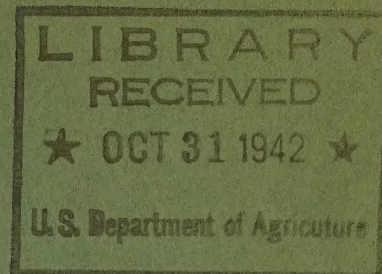


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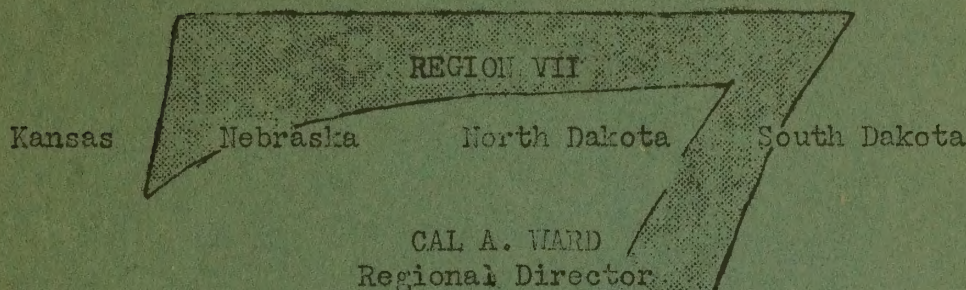


I N F O R M A T I O N

Relating to

FARM SECURITY ADMINISTRATION

UNITED STATES DEPARTMENT OF AGRICULTURE



CAL A. WARD
Regional Director

A general source of statistical and
factual information to assist in
acquainting the general public as
well as Department employees with
all phases of rehabilitation work .

Issued Autumn
of 1941

DIVISION OF INFORMATION
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FOREWORD

The Farm Security Administration, as an agency under the United States Department of Agriculture, renders service to any community only in proportion to the extent of its effect and influence on every-day community life. The FSA program, whether in rehabilitation, emergency grants, tenant purchase, health improvement, food for defense or any other phase, is effective in proportion to how well it is understood by the participants, by the public and by those who administer it.

The community looks to the county office for information about FSA and its program. If the county office fails in its service or information, the people will have but a hazy idea of the agency's purpose; and the people whom the FSA is to serve will not know how to avail themselves of opportunities which should be theirs.

Although highly schooled in planning, supervision, loan servicing and so on, many FSA employees can well make use of such a source as this booklet in order to give adequate attention to public understanding of program and policies. It is hoped this factual guide may help to correct any inadequacy in this direction.

This guide can help interested people keep themselves informed and assist them to inform others. It can help in preparation of newspaper stories or articles; it can lead to additional appearances before local groups, service clubs, farm groups, churches and schools. County council and committee members may also find it valuable as a source of information not otherwise readily available.

HISTORY

The present rehabilitation program first took form as a function of the Resettlement Administration, established by Presidential Order in the summer of 1935. Land Use, resettlement projects, debt adjustment, rehabilitation loans, emergency loans and grants, cooperative loans and other activities were gathered together, somewhat loosely and unorganized, under one administrative power. Tag ends of Federal Emergency Relief Administration, state rehabilitation corporations and so on were thrown together into a workable entity, and the whole thing was aimed at relief and rehabilitation of low income farm families.

In the summer of 1937, Congress passed the Bankhead Jones Bill. On this foundation the Farm Security Administration was authorized. The Bill also established the farm tenant purchase loan program, for FSA administration. Land Use was taken over by BAE, and FSA became responsible for all other phases of its predecessor, the former Resettlement Administration.

Throughout the official life of the Farm Security rehabilitation program, constant effort has been made to improve economic and social opportunities of those farm families hardest hit by agricultural tragedies. It has become the responsibility of the FSA to cope with the effects of drouth, floods, pests, crop failures, poor prices, top-heavy debts, failing soil fertility, wind and water erosion, discouragement, dependence on cash crops, lack of diversification, poor health facilities, insecure tenure, lack of opportunity or ability to plan ahead, inability to rent decent farms, inadequate housing, insufficient and poor livestock, inadequate credit, lack of cooperation and organization, and other factors which laid the American farmer low.

PHILOSOPHY

Primary function of FSA is to offer rehabilitation to that segment of American farm population in most acute need of a lift. The almost-down-and-out farm family nearly always needs working capital, equipment and repair items, and subsistence livestock. For these purposes FSA has money to lend.

In addition to borrowed funds, however, the family usually needs something more important--a renewal of hope, revival of the belief that it is a good and as worthy of American opportunities as the more fortunate neighbor. It needs readjustment from a kicked-around condition, back to a position of unquestioned self-respect and respect of the neighborhood. For these purposes FSA has sympathetic leadership and guidance, plus help in planning, plus intercession with creditors and landlords if necessary, to offer the farmer.

To work in its proper and effective sphere, Farm Security must reach on down past many worthy classes of farm people--economically. If a family needs funds simply to expand operations, it will get its help elsewhere. Even though hard hit, if a farmer can be adequately financed by his bank or other sources, he is not eligible for FSA loans. Rehabilitation facilities are meant for the farm family really up against it, broke, discouraged, unable to rent a decent farm because of equipment and credit deficiencies, perhaps badly in debt, perhaps with small hope for the children's future, or rapidly being forced into such conditions.

That might seem economically too low a point to start, if it were not known that more than one-fourth of America's farms in recent years had annual gross incomes of less than \$600; that almost 40 percent of American farmers own no land; that a million farm families have to move every year, with another million not sure of next year's tenure.

Make Full Study

Whatever consideration a depressed farm family, or representatives of the Farm Security Administration, or others, may give to that family's situation must be on a realistic basis. The family must appraise its own ability, its equipment needs, its debt structure, health, land and tenure possibilities and so on. It is the policy of FSA not to lend money for rehabilitation purposes until these matters have been given complete attention. This policy is inevitable, because loans are made to set rehabilitation plans in motion, and plans cannot be made without full study of all these factors.

It is impossible to say which factor or factors are most important; they vary in individual cases. Land and land tenure, together with debt structure, are always to be closely studied; and remedied if need be.

Leasing Associations

Quite often, deficiencies or rehabilitation needs may best be remedied through cooperative or group action. This is true in tenure deficiencies as well as in other factors needing adjustment. It leads to the necessity of developing leasing associations in many instances, although not too much had yet been completely accomplished along this line at the beginning of the 1941-42 fiscal year.

States, counties and other large land-holding entities seem willing to work out agreements involving leasing associations which will benefit those farm families now hard-pressed to find suitable farms to operate. FSA is in position to work with such associations, plan with them and offer funds in the form of long-time loans. Associations may be formed to gain control of adequate acreages, for the purpose of leasing units to land-needy farm families who may, in turn, have membership in the association.

PURPOSE

To assist low income farm families in the United States regain or attain adequate standards of living and permanent security was the primary purpose for the establishment of the rehabilitation programs, which have developed into the present rehabilitation program of the Farm Security Administration. The purpose remains fundamentally the same. In its attempt to fulfill this aim, Farm Security first assists the individual farm family analyze its problems. Then on the basis of this analysis, the FSA offers assistance in the form of sympathetic guidance in management problems, acts as an intermediary in bringing creditors and farm debtors together for mutual adjustment of debts on a fair basis of ability to pay, helps in originating cooperative activity or in improving already existing cooperative facilities, promotes greater tenure security and helps each family plan for greater security. Then, it offers credit, secured by chattel mortgages so far as the farmer can go in that direction, and secured further by the farmer's good faith and intentions. Funds loaned by the FSA under these conditions are for the purpose of allowing the farmer to put his plans into effect.

The FSA carries on studies to determine the general factors contributing to the existence of a low income farm group; and to determine the general direction for a corrective program.

On the basis of these studies, three general programs have been established, and are still being developed, under the FSA. They are: Rural Rehabilitation, Resettlement and Tenant Purchase.

Interwoven with these program phases are tenure improvement associations, tenure improvement practices encouraged as between land owners and tenants, farm debt adjustment aids for debtors and creditors, local health associations, cooperative purchasing and marketing encouragement, cooperative leasing associations and many other factors.

THE GENERAL PROBLEM

Long-continued drouths and repeated crop failures must share with other factors the responsibility for the low-income farm problem. Likewise the recent depression was not wholly responsible. FSA studies indicate the depression served to aggravate and bring to a head maladjustments that had been in the making for a long time. The family just "getting by" in favorable times found it impossible to make the grade in the face of low prices, flood, drouth and similar misfortunes. A revealing example of that is the "small farmer", although the condition is not confined to him. Even before the depression, he was finding it increasingly difficult to compete with large scale farmers and the growing trend toward mechanization. The depression aggravated that problem and the farm family in close circumstances lost its hold on the land.

Then there are the problems of soil erosion, soil depletion and the tenant farmer. Insecurity of tenure among many farmers has prevented the following of sound long-time conservation programs. A million farm families face the problem of moving each year, and a million more are not sure of remaining where they are. Another example is the farmer, who, in line with America's wartime needs of twenty years ago, plunged into cash crop production. He ripped the soil open and forgot to sew it back together again with grass roots. The land lost its substance and fertility. Crops lost their high market values. The farmer lost earning power, which depended on soil and crops and prices. Everything went down except his debts. Livestock numbers depreciated; preparation to take care of livestock feed needs was neglected. The farmer, viewed in the light of present conditions, had gone in the wrong direction. Lending agencies, forced to observe necessary regulations, could not help him, and could not offer him the opportunity of self-help.

LAND AND PEOPLE

Farm Security is reaching low income farm families as rapidly as possible within the limitations of available funds and personnel. Large numbers of needy farm families have not yet been reached. The 1940 census reveals the increasing seriousness of the pressure of people on the land. The trend toward large scale farming is revealed in the decreasing number of farms and their increasing size.

	Total Number Farms			Average Farm Size (in acres)		
	<u>1940</u>	<u>1930</u>	<u>Decrease</u>	<u>1940</u>	<u>1930</u>	<u>Increase</u>
Kansas (All)	156,327	166,042	5.9%	308.2	282.9	8.94%
Nebraska	121,062	129,458	6.5%	391.1	345.4	13.23%
North Dakota	73,962	77,975	5.1%	512.9	495.8	3.44%
South Dakota	72,454	83,157	12.9%	514.8	438.6	24.21%
Four States	423,805	456,632	7.18%	439.2	390.7	12.41%
United States	6,096,799	6,288,648	3.1%	174	156.9	10.89%

	Number of Tenants		Percentage of Farm Tenancy		Eligible But Not on FSA Program
	<u>1940</u>	<u>1930</u>	<u>1940</u>	<u>1930</u>	
Kansas (All)	70,222	70,326	44.9	42.3	10,300
Nebraska	63,947	61,020	52.8	47.1	7,806
North Dakota	33,377	27,400	45.1	35.4	9,739
South Dakota	38,398	37,094	52.9	44.6	7,018
Four States	205,944	195,840	48.6	42.8	34,863
United States	2,361,271	2,664,365	38.7	42.4	642,112

LOANS AND REPAYMENTS

AREA	Cumulative to June 30, 1941		Fiscal Year 1940-1941 Ending June 30, 1941	
	Loans to	Repayments	Loans to	Repayments
	Individuals All Types	Individuals All Types	Individuals All Types	Individuals All Types
REGION VII	\$60,411,709	\$15,558,998	\$9,289,851	\$6,419,659
Kansas (80 co's)	12,702,149	3,783,867	2,021,000	1,326,273
Nebraska	17,234,157	5,017,393	2,525,573	1,912,502
North Dakota	12,389,848	2,797,916	1,666,127	1,460,880
South Dakota	18,085,554	3,959,820	3,077,347	1,719,992

GRANTS

AREA	Cumulative to June 30, 1941		Fiscal Year 1940-1941 Ending June 30, 1941	
	Grant Payments		Grant Payments	
	All Types		All Types	
REGION VII	\$57,677,698		\$ 2,402,816	
Kansas (80 co's)	6,247,267		305,094	
Nebraska	8,355,793		885,645	
North Dakota	20,201,944		217,011	
South Dakota	22,872,687		995,061	

CASE LOAD

June 30, 1941

AREA	Active		Total	Total Grants
	Standard	Non-Standard	Active Borrowers	for June 1941
REGION VII	37,317	61,857	99,174	3,206
Kansas (80 co's)	9,884	2,709	12,593	462
Nebraska	11,446	3,023	14,469	1,312
North Dakota	6,592	29,233	35,825	395
South Dakota	9,395	26,892	36,287	1,037

FARM AND HOME MANAGEMENT

Rehabilitation involves regaining lost security, and is based on farm and home planning. Borrower families work out plans calling for home production of food and feed. They aim at diversified income sources instead of one-crop farming. Soil building practices enter into the plans. Duties of county Farm Security Administration rehabilitation supervisors and home management supervisors include helping farm families in the preparation of these plans.

To make these plans work, families receive rehabilitation loans for purchasing livestock, seed, feed, fertilizer, equipment and other goods needed to bring their farming up to a paying level, and to afford a satisfactory living level.

County farm and home management supervisors are responsible for helping families who apply for loans: (a) analyze their present situation, (b) determine what factors are actually responsible for their difficulties and (c) decide on a family goal. They are charged with the responsibility of giving families every technical help in developing an individual farm and home management plan that will give the family reasonable assurance of reaching that goal. Only under conditions offering that assurance are loans made. Each loan is based on the amount required to put into effect the operations outlined in the plans.

Farm and home management supervisors help and instruct families in keeping, summarizing and analyzing their individual farm family record books. Such summaries are invaluable to families in building new annual plans. They indicate management changes that might profitably be made.

Supervisors are responsible for giving families all the technical help and information possible in group meetings and in farm visits. Some subjects in which the supervisors offer such help and information include livestock management, soil and crop practices, canning and conservation of food, farm family diets and health measures, and marketing practices.

1940 PROGRESS

(Based on survey taken at close 1940 crop year)

	<u>KANSAS (All)</u>	<u>NEBRASKA</u>	<u>SOUTH DAKOTA</u>	<u>NORTH DAKOTA</u>
Average family net income				
For 1940 (FSA borrowers)	\$619	\$593	\$707	\$939
For year before receiving FSA loan	\$418	\$387	\$387	\$428
Per cent increase	48%	54%	83%	119%
State total annual income increase	\$2,260,612	\$2,292,917	\$2,721,288	\$2,374,055
Produced for home use				
For 1940	\$250	\$190	\$225	\$341
For year before receiving FSA loan	\$152	\$121	\$131	\$210
1940 produce per family				
Milk, gallons	385	372	390	385
Meat, pounds	378	393	375	447
Vegetables & fruits, quarts	235	197	118	171

POPULATION FIGURES

	<u>1940 Census</u>	<u>1930 Census</u>	<u>Decrease in Ten-Yr. Period (1930-1940)</u>	<u>Percentage Loss (1930-1940)</u>	<u>Percentage Gain (1920-1930)</u>
KANSAS (All)	1,801,028	1,880,999	79,971	-4.3	6.3
NEBRASKA	1,315,834	1,377,963	62,129	-4.5	6.3
NORTH DAKOTA	641,935	680,845	38,910	-5.7	5.3
SOUTH DAKOTA	642,961	692,849	49,888	-7.2	8.8

TENANT PURCHASE PROGRAM

Nearly four out of every ten of America's farm families (38.7%) are tenants not owning a foot of land, according to the 1940 census. In Region 7 the percentage runs still higher, with nearly half the farm families listed in the tenant column (48.6%). Tenancy among Region 7 farm families showed an increase during the past ten years.

Farm tenancy in itself is not necessarily bad for a farm family; in fact, it is advisable under certain conditions. But the fact that thousands of farm families each year swell the ranks of non-land-owning tenants indicates that renting a farm is no longer anything like a sure step toward ownership. Rather, it certainly is a step down from ownership for these thousands of farm families -- perhaps a step toward farm labor status.

It is also disturbing to know that one out of every three tenants, on the average, moves every year. For these families community ties are broken, children's education is disrupted, and long-time farm plans cannot be carried out.

The Tenant Purchase program was established in 1937 as a move toward finding the solution to this problem. Essentially, the program provides for 40-year, three percent purchase loans to a limited number of farm families for the purchase of farms. The program was started on a small scale, subject always to provision for funds voted annually by Congress, and the result is the opportunity to make desirable changes and improvements on the basis of actual experience. This wisdom of that plan has already been apparent. One development has been the variable payment plan, which now is required instead of the fixed payment plan.

Extremely important in the TP program is the county committee of three farmer members who, with the RR Supervisor acting as executive secretary, consider all TP loan applications and all submissions of farms for sale.

Counties in which the TP loan program may be carried on are recommended by the State Farm Security Advisory committee and are then designated by the Secretary of Agriculture on the basis of prevalence of tenancy, farm population, availability of suitable farm purchases.

Designated TP CountiesKANSAS

- 1937-41 -- Allen, Clay, Coffey, Cowley, Douglas, Edwards, Franklin, Harvey, Jefferson, Johnson, Labette, Lyon, Marshall, Mitchell, Morris, Nemaha, Neosho, Norton, Osage, Ottawa, Rice, Rooks, Saline, Stafford, Sumner.
- 1941-42 -- Cloud, Decatur, Doniphan, Miami, Wilson

NEBRASKA:

- 1937-41 -- Brown, Burt, Cedar, Chase, Cheyenne, Cuming, Dawson, Dixon, Fillmore, Gage, Greeley, Harlan, Howard, Knox, Lincoln, Morrill, Nuckolls, Polk, Red Willow, Saunders, Seward, Sheridan, Washington, Wayne
- 1941-42 -- Adams, Buffalo, Cass, Madison, Scotts Bluff.

NORTH DAKOTA:

1937-41 -- Barnes, Bottineau, Bowman, Burleigh, Eddy, Griggs, Hettinger,
McKenzie, Mountrail, Pierce, Ramsey, Rolette, Stark, Stutsman,
Traill, Ward, Williams.
1941-42 -- Grant, Nelson, Oliver, Sargent

SOUTH DAKOTA:

1937-41 -- Aurora, Brookings, Brown, Butte, Codington, Davison, Day, Hand,
Kingsbury, Lyman, Miner, Pennington, Perkins, Spink, Sully,
Tripp, Union, Yankton.
1941-42 -- Beadle, Jones, Minnehaha, Roberts.

	Number of TP Loans		Amount of TP Loans	
	<u>1937-41</u>	<u>1942 Probable</u>	<u>1937-41</u>	<u>1942</u>
Kansas (80 co's)	288	120	\$2,456,019	\$1,009,756
Nebraska	257	110	\$2,524,883	\$1,068,760
North Dakota	200	75	\$1,325,681	\$ 661,660
South Dakota	201	75	\$1,520,882	\$ 600,225

FARM DEBT ADJUSTMENT

Debt Adjustment is a phase of the FSA program which applies to all farm families, clients or not, who are hampered, or whose continuance in farming may be threatened by top-heavy debts. Assistance is offered in the form of advisory help to debtors and creditors in the equitable readjustment of debt loads. This help is given by voluntary local committees, and is sought both by creditors and debtors. Readjustments are usually made through budgeted repayments, refinancing, reduced interest rates, readjustment of the farming program in line with carefully made farm plans, or equitable principal reduction. The Farm Debt Adjustment Committee acts as an intermediary to bring creditor and debtor together for mutual understanding. Payment of debts involved is based on earning capacity of farm and farmer. Debts repaid, partially repaid or arranged for repayment, usually represent sums that otherwise could never have been repaid.

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FARM DEBT ADJUSTMENT RECORD
September 1, 1935 to June 30, 1941

Area	No. Cases Adjusted	Prior Debt	Debt Reduction	Percent Reduction	Back Taxes Paid
Region VII	23,576	\$79,399,872	\$26,494,993	33.3	\$1,391,519
Kansas (80 co's)	4,705	15,098,560	4,650,031	30.7	119,951
Nebraska	7,671	24,569,069	6,256,176	25.4	290,586
North Dakota	3,673	14,238,572	4,617,352	32.4	369,924
South Dakota	7,527	25,493,671	10,971,434	43.0	611,058

COMMUNITY AND COOPERATIVE SERVICES

The Community and Cooperative Service program of Farm Security is only one part of the over-all rehabilitation program designed to enable disadvantaged farm families to meet their economic problems and to stabilize their social or community status. Group action among the farm families in a neighborhood, and the community services of which they make use, bring to the individual families not only economic benefits but social betterment as well. Cooperative action is only one kind of group activity. It is the kind in which all work for the common good. That is one of the fundamental principles upon which successful cooperatives are built. It is said that cooperative principles exemplify the true democratic way of life.

The community and cooperative services administered through FSA make it possible for neighboring farm families to purchase their needs in line with sound planning. They can enjoy, on a group basis, many needed facilities which none could purchase individually. They can acquire good seed and equipment for cultivating, harvesting and planting. Through cooperative loans they can obtain funds to cover costs of participation in successful buying and marketing cooperatives.

Establishment of these groups carries possibilities of organized effort to low-income farmers, and tends to equip those farm families with a useful practice which will stay with them after the cooperative loan is repaid. Even after FSA is out of the picture, the farmers will be able to continue meeting their mutual problems. One evidence of this fact is the "informal cooperative" which exists in most counties in Region Seven. Though it exists in various forms and stages of development, it is bringing groups of farm families together in mutual helpfulness. Some groups buy seed, some get feed, some livestock, and some meet for educational purposes or to develop plans.

Community and Cooperative Service Loans

The following figures do not include informal cooperatives, since such groups operate without loans:

State	(Cumulative through 6-30-41)			(Fiscal year ending 6-30-41)			Participants, low income and other farmers.
	<u>Sires</u>	<u>Equip.</u>	<u>Amt.</u>	<u>Sires</u>	<u>Equip.</u>	<u>Amt.</u>	
Region VII	331	1,111	\$961,509	16	69	\$45,776	909
Kansas (80 co's.)	62	512	424,369	5	16	8,880	517
Nebraska	96	389	316,715	4	20	19,180	194
North Dakota	41	53	46,196	2	11	7,172	42
South Dakota	132	157	174,329	5	22	10,544	156

Local Cooperative Associations

Cumulative as of June 30, 1941

State	Grain			Oil			Creamery and Other		
	No.	Loans	Amount	No.	Loans	Amount	No.	Loans	Amount
Kansas (80 co's.)	1	55	\$ 5,125.00	----	----	-----	1	35	\$ 875.00
Nebraska	19	1,345	99,826.60	1	45	\$ 1,128.00	---	----	----
North Dakota	68	6,500	582,485.88	12	923	36,652.20	8	1,944	53,749.30
South Dakota	24	2,371	219,055.00	12	1,545	60,932.50	2	294	8,820.00
	112	10,271	\$906,492.48	25	2,513	\$98,712.70	11	2,293	\$63,444.30

WATER FACILITIES PROGRAM

The Water Facilities program of the United States Department of Agriculture is the responsibility of three agencies of the department. The Bureau of Agricultural Economics prepares an over all plan of the area being considered in order that available water supplies may be used to assist the greatest number of people, and to provide technical data regarding surface water supplies, availability of ground water and similar information. The Soil Conservation Service and the Farm Security Administration are the operations agencies concerned with actual water facilities installations. The Soil Conservation Service furnishes detailed plans and specifications for the facilities and prepares plans for conservation operations for the land affected. In short, it supplies the engineering. The Farm Security Administration acts as the banker and where needed, loans necessary funds to individuals or to groups to install the facility.

The plan of conservation operations consists of a long time planned program for the farm which will insure placing the land to its proper use and will increase, or at least maintain, its present productivity. This plan may include such practices as contour farming, terracing, strip cropping to prevent wind erosion, gully control, pasture management and other conservation measures.

Water Facilities loans are repayable according to the ability of the borrower to repay. The loans may be amortized over a period of 20 years, providing, of course, that that much time is required to repay and the estimated life of the facility is at least that long.

Loans can be made for the installation of facilities to provide livestock and domestic water from ponds or wells and may include windmills, pumps, stock tanks, supply tanks, or other needed equipment. They can also be made for all types of irrigation facilities such as diversions, pump irrigation from streams, irrigation from reservoirs, water spreading, flood irrigation, etc.

Almost all farm operators, whether owners or tenants, and farm owners who make the facilities available to farm operators, are eligible for assistance.

In organized Soil Conservation districts, technical assistance may be given to eligible applicants who can furnish funds to complete the work. Persons who are in need of financial assistance as well as technical help, are eligible for loans, although the funds available for loans to persons who cannot be classified as low-income operators, are limited.

The Department of Agriculture has recognized that if its program of rehabilitation is to be successful, land and water must be considered. Repayment of long term rehabilitation loans cannot be expected from land if the earning power of the land is constantly decreasing. The successful farm operator must take advantage of all natural resources and of the knowledge of trained workers in soil and water use in conservation.

Types of Water Facilities

As a reminder of what types of water facilities can be installed, the following list is offered:

1. Livestock water facilities
 - a. Wells (including pumps, windmills, stock water tanks, storage tanks)
2. Flood Irrigation and Water Spreading Facilities
 - a. Crops
 - b. Hayland
 - c. Pasture
3. Springs development
 - a. For livestock water
 - b. Irrigation
4. Recharging of underground reservoirs
5. Pump Irrigation
 - a. From wells in certain localities
 - b. From flowing or intermittent streams
 - c. From reservoirs
6. Diversion-Irrigation from running streams
7. Garden Irrigation
 - a. Sub-irrigated gardens below dams
 - b. From windmills or wells
 - c. From small ponds or reservoirs (pump or gravity)
 - d. From storage tanks

MEDICAL CARE PROGRAM

More than 100,000 low-income farm families -- about 500,000 persons, borrowers from the Farm Security Administration -- are banded into small groups to obtain medical care at a cost they can afford. This medical program grew out of the desperate economic situation that made the rehabilitation program necessary.

Most rehabilitation borrowers repay their loans and approach a self-sustaining basis. Many borrowers, however, have made slow progress although their opportunities seemed to be equal to those of others. Investigation showed that more than half those who failed to make ends meet were handicapped with poor health. Knowing they couldn't pay doctor bills, they hesitated to consult their doctors. Minor ailments thus grew into grave illnesses. Unavoidable operations or hospitalizations were paid for, or partially so, at the expense of the family's livestock and equipment which had to be sacrificed. Other farmers tried to go ahead with broken health which, of course, cut down working and earning ability.

Consequently, FSA started a medical care program for its borrowers, on the theory that a healthy family is a better credit risk than one in bad health. The program has been worked out in close cooperation with the State Medical Associations and local medical societies. An understanding is reached which is satisfactory to all; and county agreements are made, based on this understanding.

Although county medical plans vary in detail, they follow a general pattern. Every plan is founded upon three basic principles: (1) Each family has a free choice of its physician, from among participating doctors; (2) Fees are paid by every participating family at the beginning of the operating period, and are held by a bonded trustee; (3) Fees are based on ability of the families to pay, as indicated by their farm management plans and records.

For the first year the amount of the fee is usually included in a rehabilitation loan. All doctors submit their bills to the trustee at the end of each month for payment. A proper amount of the pooled medical care funds is allocated for hospitalization and emergency needs, including surgical care; and the balance is divided into equal monthly installments.

Physicians' bills are paid from the amount on hand for a particular month, after the bills have been received by the trustee and reviewed by a committee of the local medical society. If possible, all bills are paid in full. If the total bills for a given month exceed the amount available, all bills are proportionately reduced and each physician is paid his pro rata share. If there is some money left over for a particular month, it is carried forward to the next month or to the end of the year or period, and used to complete payment of old bills.

MEDICAL CARE PROGRAMStatistics Region VII
(June 30, 1941)

<u>State</u>	<u>Number of Assn's.</u>	<u>Counties Served</u>	<u>Number of Loans</u>	<u>Amount</u>	<u>Families</u>
Kansas (80 co's)	25	28	2,866	\$ 87,687.50	2,970
Nebraska	30	41	3,564	109,355.00	4,148
North Dakota	0	0	0	0	0
South Dakota	1	13	467	15,411.00	505

RESETTLEMENT PROJECTS

Resettlement projects were originally set up as an approach to the problem of bringing good families and good land together, and to provide means of practical research into the fields of farming cooperatively, adult education, group activities, low-cost construction, sound farm management, and similar factors. Projects now come under various classifications, including homesteads which include grouped farmsteads and scattered farms, conservation, defense relocation, migratory and defense housing.

In the United States are 151 farmstead and scattered farms projects, 9 conservation projects, 17 defense relocation, 49 migratory and 25 defense housing projects. Region Seven has none of the latter two types.

Families living on the projects share in the management and operation of the cooperative enterprises and in the social, educational and recreational activities. They have their own boards of directors and community councils.

In Region Seven are four scattered farms projects and ten grouped farmstead projects, four conservation types and one Defense Relocation project

The one Defense Relocation project, however, is in two general locations--one to take care of relocating farmers who had to make way for expansion of Fort Riley near Manhattan, Kansas, and one to perform similar service for farmers having to move from the area of the shell loading plant being erected near Parsons, Kansas. Both projects or project locations operate under the Kansas Defense Relocation Corporation.

Eight of the ten farmstead projects in Region Seven are in Nebraska at the following points: Two Rivers, near Waterloo, or about 20 miles west of Omaha; Scottsbluff, Fairbury, Loup City, Kearney, Grand Island, Falls City, and South Sioux City. South Dakota has one at Sioux Falls. North Dakota has one at Burlington. The ten projects occupy about 8,050 acres, with available homes for 186 families.

All grouped farmstead type projects were originated by Emergency Relief Administration prior to establishment of the Resettlement Administration in the summer of 1935. Resettlement Administration took them over at that time, and in turn Farm Security Administration took them over when it succeeded Resettlement Administration in 1937.

The Region has four scattered farms projects. Northeastern Kansas Farms and Kansas Scattered Farms, listed as two projects, operated under one management. Combined, they have 33 available units on 2,775 acres. Eastern South Dakota Farms project has 39 available units of 5,988 acres. Red River Valley Farms project is in the eastern part of North Dakota, with 140 available farms on 28,043 acres.

The Region's four Conservation Projects, to be developed in connection with the reclamation program, are under way. They are Mirage Flats in northwestern Nebraska, Buford-Trenton Farms in western North Dakota, and Angostura Farms and Rapid Valley Farms in western South Dakota. Also to be mentioned in this connection is the Lewis and Clark project west of

Williston, North Dakota. This project, now under the state corporation and scheduled to come under FSA supervision, contains 6,000 acres and will have some 50 units. It will feature land use adjustment, water conservation and irrigation. It will be similar in many respects to the conservation projects mentioned.

Undoubtedly, work done and being done on resettlement projects of various types afford valuable information in developing the tenant purchase program.

The original intention of ERA, when grouped farmstead projects were first started, was to afford homes and small acreages for low-income families some of whom were expected to find part-time employment in industry. Construction and improvement was done largely with relief labor. This furnished employment to families otherwise dependent on relief, but made it impossible to determine how much to charge to construction cost and how much to relief.

Resettlement, working with Land Use, had in mind providing fertile farms for those families who sold their lands in "dust bowl" areas to the Government for reclamation. Most such families, however, preferred to move on further west. Infiltration project farms, or "scattered farms", were available to them on a rental basis to be followed by ownership subject to a lease and purchase contract covering 40 years at 3 per cent interest. The farms are family size units, and most of the families on them came from comparatively near-by communities. In nearly every instance the family is in position to improve its economic opportunities, and perhaps escaped wandering westward or having to move to some town.

LABOR RELATIONS

The Labor Relations Division in Region VII is responsible for the Farm Security Administration safety program. This work includes fostering safety among Farm Security Administration employees and among all others coming under any phase of the Farm Security Administration program. The safety work consists of providing information concerning safe practices and calling attention to dangerous practices, as well as safety inspections in the field.

The Division also is responsible for maintenance of satisfactory relationships between labor and management wherever relationships between these two parties exist under the Farm Security Administration field of activities. In this work, specific activities range from the determination of minimum wages in some instances, to mediation of disputes; and, in some cases, includes initiation of action to obtain retribution for violation of labor clauses in contracts. Fortunately this latter activity has been a minor one in this region.

MECHANICS OF ORGANIZATION

The spearhead of the entire FSA working organization is the county office. The county supervisor, aided by clerks and typists, is responsible for the well-being of families who seek self-help through the program. The home management supervisor shares the responsibility.

District RR and home management supervisors are responsible for the effectiveness of the county personnel, and for unification of purpose and program as well as for proper application of effort.

The state director and his staff bear about the same relationship to district personnel as district people do to county employees. State specialists direct their various efforts to development of particular program phases; and they, along with other state office employees, also have direct contact with county workers.

Constant effort is made to localize the work of Farm Security. Local citizens have much to do with the local application of the rehabilitation program in all its phases. This is necessary, because home people naturally know more about the needs of their neighbors than any one else could know.

Each county has several committees working with Farm Security. The county Farm Security Advisory Committee and the County Farm Debt Adjustment Committee both have membership in the County FSA Council. In counties with Tenant Purchase programs, the "TP" committee also has membership in the Council. Members of the Council meet at stated intervals, and offer valuable counsel in the administration of the program. They draw compensation for their services.

The State Farm Security Advisory Committee is made up of public spirited citizens from various parts of the state, including farmers, business men, professional people, editors, extension service heads and others. They offer general counsel on administration at the state level, recommend counties for inclusion in the "TP" program and perform many duties mostly in an advisory capacity.

The Regional Director and his staff are responsible to Washington for the work accomplished in the states, districts and counties. Matters of policy affecting the Region or any part of it must be handled by the Regional Director. Various division and sections having to do with definite phases of rehabilitation and related programs head up in the Regional Office.

The Washington office is responsible to the Administration and to Congress, which is another way of describing responsibility to the American people. The Administrator carries the collective responsibility of all county, district, state and regional offices.

These paragraphs in no way attempt to outline duties of personnel, nor to describe fully all levels of administration.

NATIONAL DEFENSE

Agriculture is the basic industry in America. This nation, looking to the immediate improvement of its resources and strength because of its position in an unsettled, warring world, must consider strengthening its Agriculture. This strengthening process must involve farmers and farm families as well as land, production and marketing.

Farmers themselves usually operate with the fact in mind that their job is to feed the nation. The nation, then, must let the farmers receive their economic rewards for producing the foods the nation needs. Otherwise many of them are likely to continue in the position of having to grow cash crops at a time when they should be producing more meat, milk, butter and eggs. This situation involves more than the immediate market prices the farmers receive for various specific products; it involves a system of tenure which must afford as much security for the diversified producer as it does for the cash crop farmer.

A Change in Emphasis

It is apparent that the nation is in need of certain changes in agricultural emphasis. Many farmers have been forced into the position of having to farm one way when it would have been best for them, and for all of America, if they could farm some other way. It is not the job of Farm Security to smooth out all these difficulties for disadvantaged farm families. Rather, the job is to make it possible for farm families themselves to work their own way out of the difficulties -- and to work toward the level of security that all Americans deserve.

When a measure of this security is attained or reasonably assured, America will be in a favorable position to maintain a strong defense status. On the other hand, our national defense must necessarily and unavoidably be extremely poorly developed if the security of a group so large as our farming population is neglected.

With these facts and factors in mind, Farm Security offers specific encouragement to its borrowers to plan their efforts along lines calculated to produce a higher plane of national health, and at the same time to bring returns to farmers in the form of improved security.

Poverty and Patriotism

Poverty and patriotism do not go together. Poverty, in fact, offers a fertile seed bed for subservient activity. Elimination of unnecessary poverty, then, is recognized as a most important step in national defense.

Give a farm family a feeling that its members have a stake in the country, and the result is pretty sure to be a growing sense of citizenship and patriotism. If circumstances have taken away this stake, and nothing is done to help restore it, patriotism may become just a word.

Farm Security is giving hundreds of thousands of farm families new hope and new purpose, enabling them to have their own stake in this country. It is

establishing security and restoring confidence in our American way of life for people who otherwise might be inclined to harbor doubts as to the soundness of American and its economic and social systems.

Utilize Resources

It is one thing to mobilize the country's military strength. One of the most important aspects of national defense, however, is the wise utilization of resources, both human and material. One of the material resources, the two billion acres of American land constitute the most valuable; on the human side, the most pressing problem is the lowest income group, or the down-and-out Americans.

Rural areas contribute more military recruits in proportion to their population than cities and large towns. Recently the War Department indicated that country people were ahead of others in volunteering. Out of all volunteers, however, Army medical officers found nearly one out of every three physically unfit for military service.

In light of these facts, the FSA program's contribution to defense takes on considerable importance. It is that portion of our citizenry who have suffered most from effects of poverty that FSA is aiding, offering facilities for building healthy citizens physically able to defend their country. Through its medical care program, through its constant emphasis on production of nutritious food to be consumed at home, thus to improve diets, and through its sanitation program, the FSA is helping to build a healthy rural population. It is starting at the lowest income base where the need is most acute, and in areas where the greatest proportion of the nation's man power is developed.

Looking to Material Resources

Our national land resources have been seriously depleted due to wasteful use. Three-fourths of the original virgin forests on this continent have been rendered useless. Nearly half of our two billion acres of land has been injured by erosion, some of it beyond restoration. One-tenth of the American farms are on land unfit for cultivation. The productive value of three-fourths of our tilled soil has been reduced in varying degrees by human ignorance or carelessness, or by wind and water. Short-sighted land use, improper cash cropping and insecurity of tenure contribute largely to this condition.

The FSA, charged with the rehabilitation of depressed rural people, recognizes that the land and the people on it prosper or grow poor together. It puts much effort into causing farm families to become acutely aware of the necessity of protecting the land, and seeks, through improved tenure possibilities, to make such protection possible.

National Economy

The defense program imposes huge financial burdens on the nation, consequently every effort is made to reduce to a minimum all non-defense expenditures, including all forms of relief.

FSA is working directly to get farm people off the relief rolls, back on their feet, and into the taxpayers' column. It is helping thousands of farm families, once on or headed for relief, to become self-supporting, tax-paying citizens.

This work imposes a relatively small drain on the Federal Treasury; most of the funds used for loans eventually will be paid back to the Government, with interest. Work relief in the cities costs about \$800 per family per year.

Rural relief work amounts to a minimum of \$350 per year per family. Rehabilitation costs only about \$72 per year per family, counting all loan losses, costs of supervision and all other items of expense.

In addition, due to the self-liquidation aspect of the loan program, the work is no longer financed entirely by direct appropriation, and FSA obtains a large portion of its funds from RFC. These funds are to be repaid from repayments by FSA borrowers.

INFORMATION DIVISION

The Information Division of the Farm Security Administration, Region VII, can furnish on request information on the FSA program and on problems related to it. This service includes furnishing bulletins, pamphlets, lists of recommended books, and other informative material; visual aids such as strip films, photographs, slides for projectors; a limited supply of photographic panels, posters, and other materials suitable for booth or similar display.

This division will supply, on request, consultation and assistance in connection with newspaper stories, group and radio talks, tours, and visual aids.

The Regional Information Division is here to help supervisors and other employees out in the field in the matter of carrying on the activities which will acquaint the borrowers and general public with the rehabilitation program. Naturally, the division cannot take the responsibility of carrying on local information activities; its job is to help local people do this job themselves, and to advise with the Regional Director and other operating officials on informational matters.

Supplies of Form FSA 301 are supplied to the field for the purpose of ordering informational supplies. Instructions are on each form.

For additional copies of this reference or source booklet, write to:

Floyd H. Lynn
Regional Information Specialist
Farm Security Administration, USDA
901 North Seventeenth Street
Lincoln, Nebraska



